

Extended Unemployment Benefits

in Utah

The recent recession has pushed Utah's unemployment rate to its highest level in over 25 years, meaning many people are filing for unemployment insurance benefits. And with the depth and duration of the recession's consequences lingering—with virtually no job creation to re-employ workers—many people have exhausted their regular state-supplied unemployment benefits and have moved onto the federally-funded extended unemployment benefits.

This movement onto extended benefits blossomed around April 2009. The accompanying map shows where the extent of this activity has occurred in Utah, by Census tracts, and is quantified between April 2009 and October 2010. Across that timeframe, around 53,800 unemployed filed for an extended unemployment benefit.

Geographic areas emerge where unemployment activities and duration are more prevalent. These include the west and southwest sides of Salt Lake County, northern and western Utah County, and eastern Tooele County. Off the Wasatch Front, hot spots occur in two Census tracts in Washington County, and one in the energy patch of Uintah County.

When isolating the Salt Lake-Utah-Tooele County hot spots, they are areas that within the past 15 years were underdeveloped but have now transitioned into populated new home areas. For example, in northern Utah County, 15 years ago not only were Saratoga Springs and Eagle Mountain not developed, they didn't exist as towns. Now they are towns of size. Many who have settled there are young, first-time home buyers seeking availability and affordability.


If one incorporates the normal pattern observed during recessionary layoffs onto this—younger, less tenured workers are usually the first to be laid off—then the layoff activities should show up more in these younger communities. This fits the pattern seen from the Salt Lake, Utah, and Tooele county profiles on the map.

In Washington County, the Census tracts east of I-15 that include the cities of Washington and Hurricane also have high quantities of extended benefit filers. Washington County has been hit hard by this recession. Having experienced the largest housing bubble in the state, Washington County began this recession first and

has been mired in it the longest. To have as many extended benefit filers from this area match the counts in the more heavily populated Wasatch Front speaks loudly toward the disproportionate amount of recessionary impact this county is enduring. Again, construction workers are the most prominent filers in those tracts.

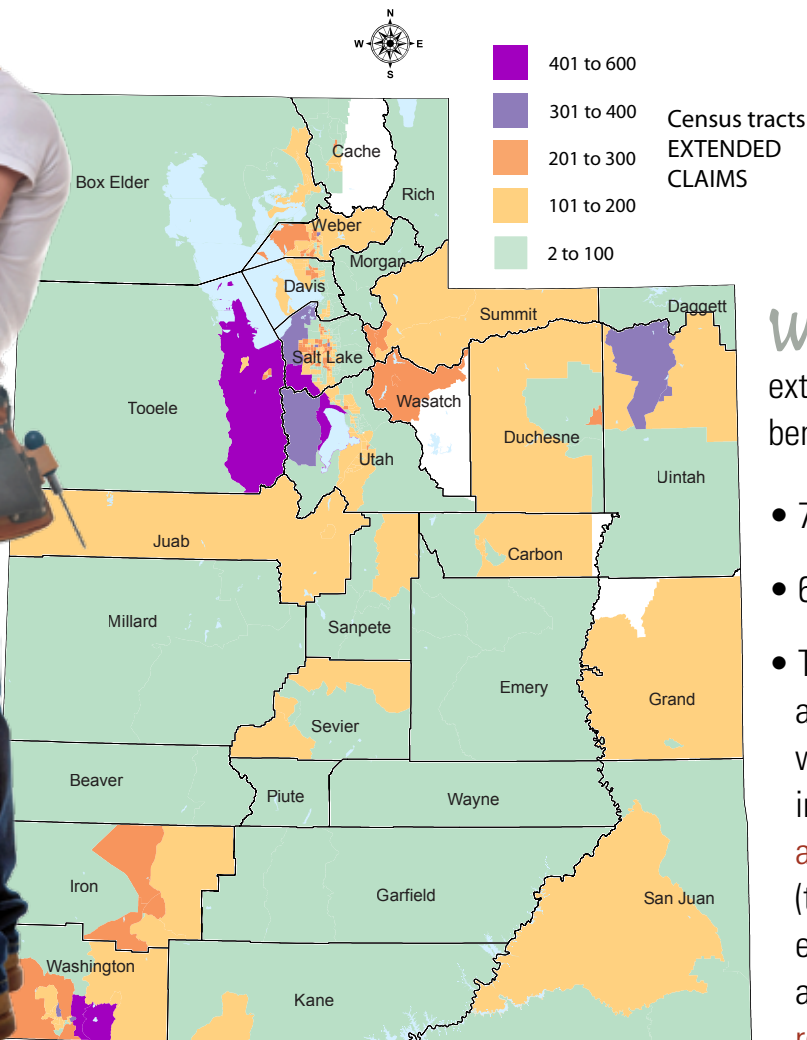
As for Uintah County, energy industry layoffs are the primary reason for high unemployment claims. The energy price rise of 2007 and 2008 spurred energy-industry employment to its highest levels ever in that county.

When energy prices collapsed in 2009, activity slowed and layoffs followed. It is only recently that activity has begun to resume, but in the interim, many of these laid off workers were out of jobs long enough to reach into the extended unemployment benefits.

Energy prices have rebounded and employment gains are resulting, so unemployment beneficiaries are getting re-employed. But the construction industry is still flat, with not much activity to move its idled labor force onto payrolls. 

Extended

Unemployment Benefits
Initial Claims by Census Tract
April 2009—October 2010



Workers filing for extended unemployment benefits:

- 70% are male
- 65% are less than age 45
- The **construction** industry added more unemployed workers than any other industry, followed by **administrative services** (telemarketing and employment supply agencies) and then **manufacturing and retail trade**

White space assumes no initial claims

Source: Utah Department of Workforce Services.